

EXECUTIVE SECRETARIAT
ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS		X		
5	DDI		X		
6	DDA		X		
7	DDO		X		
8	DDS&T		X		
9	Chm/NIC				
10	GC		X		
11	IG				
12	Compt		X		
13	D/Pers				
14	D/OLL		X		
15	D/PAO		X		
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19					
20					
21					
22					
SUSPENSE		Date			

Remarks

Executive Secretary

24 May 1985

Date

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 WASHINGTON, DC 20510

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85-	1954

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May 14, 1985

85-1904

The Honorable John N. McMahon
 Deputy Director of Central Intelligence
 Central Intelligence Agency
 Washington, D.C. 20505

60-4

Dear John:

Whatever the outcome of the budget process for Fiscal Year 1986, it is fair to conclude that funding levels for the outyears will be substantially less than those of the recent past. The impact on the national intelligence process will be profound. The importance of accurate, timely and relevant information will become even more critical to the difficult investment decisions that the Defense Department will face. The complexity of world affairs will make it increasingly more important to provide the right kind of intelligence for building a cohesive effective foreign policy. Intelligence will, however, feel the same budgetary pressures as all other government activity. In order for intelligence programs to compete successfully, the Intelligence Committee sees a need to develop a comprehensive strategy for the Intelligence Community to use as a standard to measure the state of American intelligence. Until there is such a strategy, both the Committee and the Executive branch will be forced to make decisions on intelligence programs at the margin rather than influencing the process in any larger context of requirements, capabilities, performance and cost benefit.

A major goal then for the Intelligence Committee for this coming year will be the formulation of a requirement for the Executive branch to develop and submit a strategy for national intelligence. This strategy would be updated annually and would be the basis for understanding what is being done in intelligence and what is proposed. It will help the Committee come to grips with the key questions repeatedly raised in hearings. Specifically:

- o What intelligence does the nation require and why?



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- o What means are available to gather this intelligence and what criteria do we use to make a decision as to which one or combination is best?
- o How is intelligence processed and analyzed so as to distill important information and insights from the ocean of incoming material?
- o Who gets what intelligence and what do they do with it?
- o How do we measure the value of our intelligence and the effectiveness of our collective intelligence?
- o What are our plans for the future and what is the basis for these plans?

Developing our intelligence strategy will not be an easy task. Our experience with the development of a defense strategy which supports defense decisionmaking shows that we can reasonably expect the process to evolve over several years. We must start somewhere, however, so our hearing agenda for the remainder of the year is designed to support this goal. It will cover the following subjects:

Current Design of the National Intelligence Policy Process

- o Development of requirements;
- o Setting priorities;
- o Allocating collection and analysis assets to intelligence tasks;
- o Distribution and evaluation of production;
- o Relation between intelligence and U.S. policy formulation, military strategy and operations, and weapons procurement;

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- o Command and control of covert actions and their relations to U.S. foreign policy objectives.

Current Design of the Procurement Process in the Intelligence Community

- o Budget development by agency and by the Community;
- o Procurement program development and execution by agency and the Community;
- o Human collection as a resource;
- o Examination of selected high cost systems from establishment of requirements through delivery of product;
- o Analysis as a resource, as a driver of other resources, and as a bottleneck;
- o Future capabilities - Research and development in the Community.

Intelligence Process in Action

Topical Targets

- o Terrorism
- o Narcotics
- o Arms Control Verification

Regional Targets

- o Soviet Union/Europe
- o The Americas
- o Middle East/Africa
- o Asia/Pacific

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Generic Targets


- o Economic Intelligence
- o Scientific and Technical Intelligence

Shaping a National Intelligence Strategy

- o Requirements process
- o Prioritization
- o Relation of requirements to collection plans and capabilities
- o Evaluation of the product
- o Weaknesses and planned remedies

Upon completion of this year's review, we will have a feel for the degree to which we need an overall strategy and a good sense of how it should be expressed to be useful. We can then write guidelines for the DCI to develop such a document for first submission with the FY 1987 budget.

Sincerely,


Bernard F. McMahon
Staff Director

BFM:rn